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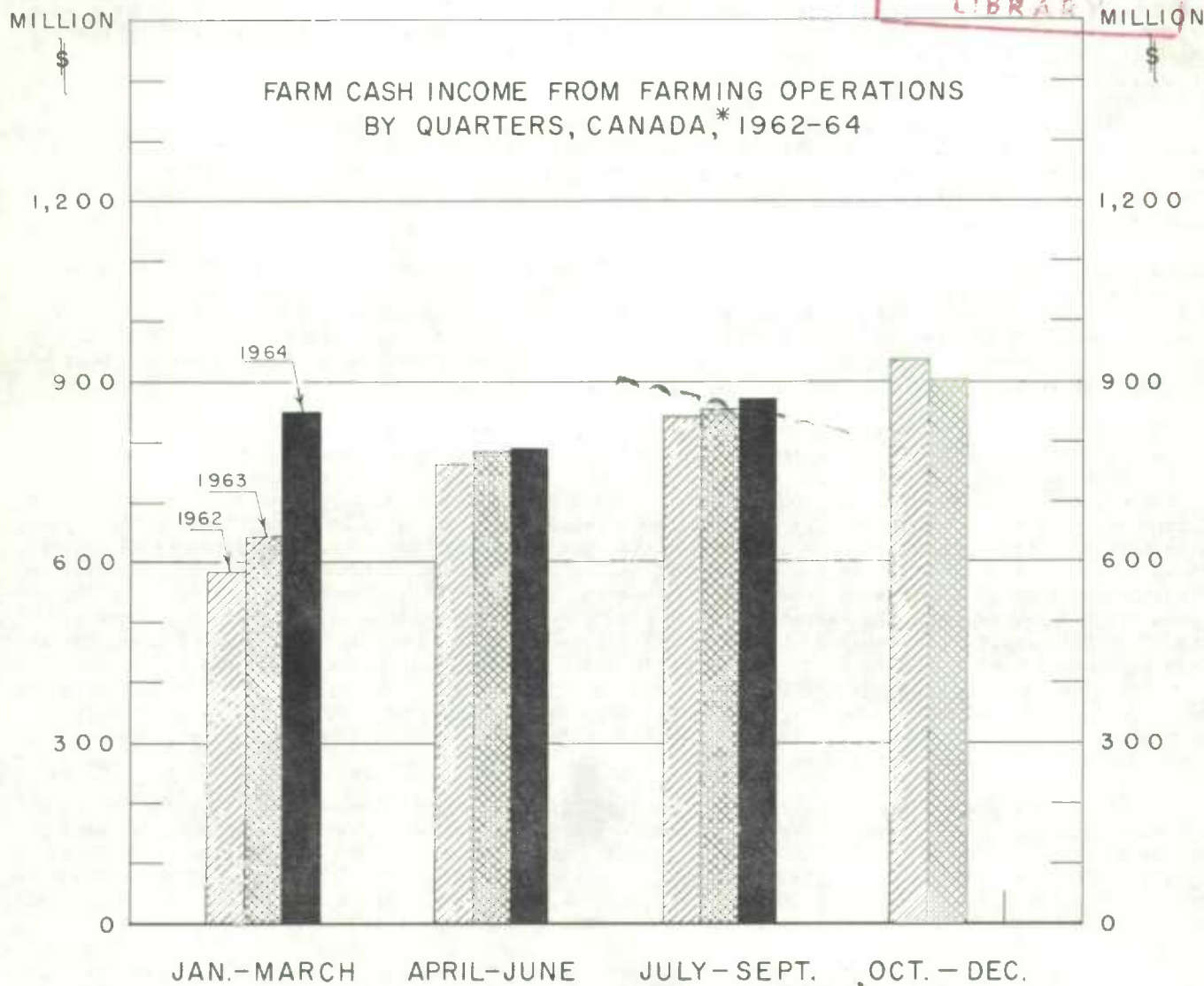
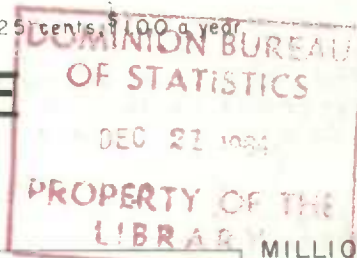
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FARM CASH INCOME

JULY TO SEPTEMBER 1964



* Newfoundland excluded

DECEMBER 1964
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Farm Finance Section, AGRICULTURE DIVISION

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa

FARM CASH INCOME, JANUARY - SEPTEMBER 1964(1)

It is estimated that farm cash receipts from farming operations amounted to 2,512.9 million dollars during the first nine months of 1964. This estimate is a record high for this period of the year and exceeds by 10 per cent the previous high of 2,283.1 million dollars realized during the corresponding period of 1963. In comparing these estimates with those for earlier years, it should be remembered that the totals for 1962, 1963 and 1964 have been partially revised in that they contain final revisions for dairy products. Complete revisions for all products will be published sometime in 1965.(2)

Total cash returns include: cash receipts from the sale of farm products; Canadian Wheat Board participation payments on previous years' grain crops; net cash advances on farm-stored grains in Western Canada; and, deficiency payments made by the Agricultural Stabilization Board. Certain types of government supplementary payments, relatively small in amount and mentioned later, are not included in these totals. No deductions are made for the cost of production of commodities sold.(3)

The gain in farm cash returns between the first nine months of 1963 and the first nine months of 1964 is attributable for the most part to the higher income resulting from a substantial increase in wheat marketings and to the much larger participation payments made by the Canadian Wheat Board. Less important additions were made by rye, flaxseed, potatoes, fruits, vegetables, hogs and dairy products. Partially offsetting these gains were lower returns from rapeseed, soybeans, tobacco, cattle, poultry products and substantial repayments of cash advances on farm-stored grains in Western Canada.

Under the provisions of the Prairie Farm Assistance Act farmers also received supplementary payments amounting to 6.9 million dollars as against nearly 12.0 million during the like period of a year ago. When added together, farm cash income from farming operations and supplementary payments totalled 2,519.8 million dollars for the 1964 period, also about 10 per cent above the previous record high of 2,295.0 million established in 1963.

Field Crops - During the first nine months of 1964, farmers' cash returns from crops, Canadian Wheat Board participation payments, and cash advances on farm-stored grains in Western Canada, amounted to 1,158.3 million dollars. This estimate is 25 per cent above the estimate of 926.1 million dollars for the same period a year ago and it accounts for about 46 per cent of total cash receipts from farming operations. A year ago this proportion amounted to nearly 41 per cent. As would be expected, most of the increase in these estimates occurred in the Prairie Provinces.

Cash receipts to farmers from wheat at the time of delivery and before adjustment for cash advances, totalled 543.6 million dollars for the 1964 period, 41 per cent above the 385.3 million received during the same period of 1963. For the most part, this gain arises out of unusually heavy marketings by farmers from a record 1963 crop to meet above-normal export commitments. Canadian Wheat Board participation payments totalling nearly 225 million dollars were distributed to farmers during the first nine months of 1964, as against 124 million for the like period of 1963. The 1964 payments represent final payments of 42.5 cents per bushel on wheat delivered to the Board from the 1962 crop and also final payments of 12.4 cents and 18.2 cents per bushel paid respectively on deliveries from the 1962 crops of oats and barley. The payments made in 1963 are made up of final payments of 43.0 cents per bushel on deliveries from the 1961 wheat crop. These payments arise out of the system of grain marketings in Western Canada whereby farmers, at the time they deliver their grain, are given initial payments and certificates stating the quantities and grades delivered. These certificates entitle the producers to share in surpluses accumulated by the Board through subsequent sales of these grains for domestic consumption or export. The share of money accruing to farmers represents the Canadian Wheat Board payments included in these estimates of farm income.

Up to the end of September 1964, farmers had delivered more barley, rye and flaxseed than for the same period of 1963 at prices not greatly different from those of a year ago. Income from barley increased from 50.3 to 54.0 million dollars, rye was up from 5.9 million to 7.1 million and flaxseed rose from 23.0 million to 39.0 million dollars. A combination of slightly higher marketings and a rise in prices is reflected in increased income from potatoes, from 29.9 million dollars in 1963 to 34.7 million in 1964. Higher income was also estimated for fruits and vegetables.

The most important offset to the above gains was caused by repayments of cash advances on farm-stored grains in Western Canada. Heavy marketings of grains during the first nine months of 1964 led to repayments which exceeded cash advances by 13.5 million dollars. As a result, the net entry in farm

(1) Excludes Newfoundland.

(2) A complete revision of farm income estimates based on data from the 1961 Census of Agriculture and 1958 Farm Expenditure & Income Survey is in progress. Publication of complete revisions for the period 1951 to date is planned for 1965.

(3) A complete report of all farm income from farming operations and estimates of costs incurred in farm production is published in the spring of each year in the D.B.S. publication entitled Farm Net Income (Catalogue No. 21-202).

cash income was minus 13.5 million dollars. This was in contrast with the 1963 period when advances exceeded repayments by 12.1 million dollars. Returns from the sale of tobacco declined from 89.1 million to 64.7 million dollars. Most of this decline occurred in Ontario and, to a large extent, accounted for the reduction in total income for this province. The reduced income from this commodity can be attributed to smaller production in 1963, lower prices and a much larger proportion of the crop sold during the year of production than was the case for the 1962 crop.

Lower marketings accounted for the reduced receipts from the sale of rapeseed and soybeans; in the case of rapeseed the smaller marketings more than offset some increase in prices.

Livestock and Livestock Products - Total cash returns from the sale of livestock and livestock products amounted to 1,334.7 million dollars for the first nine months of 1964, practically unchanged from the returns realized during the corresponding period of a year earlier. Although marketings of cattle and calves in 1964 were above 1963 levels prices were down and total cash returns declined from 455.4 million dollars to 447.1 million. The 1964 prices for hogs were also below those of a year ago, but marketings increased sufficiently to provide total cash receipts of 239.4 million dollars as compared with 235.7 million in 1963.

Returns to poultry producers totalled 212.4 million for the January-September period of 1964, down by approximately 10 million dollars from the 1963 level for the same period. Nearly all of this reduction is attributable to lower prices for eggs. Income from the sale of dairy products rose from 393.0 million dollars in 1963 to 407.7 million in 1964, an increase of 3.7 per cent as a result of both higher prices and greater production.

Estimates of cash income from farming operations include the returns from all sales of agricultural products except those associated with direct interfarm transfers. The prices used to value all products sold are prices to farmers at the farm level; they include any subsidies, bonuses and premiums which can be attributed to specific products, but they exclude any storage, transportation, processing and handling charges which are not actually received by farmers.

Many sources of information are used in the preparation of these estimates. These include the Censuses of Agriculture; periodic Bureau surveys of production and disposition of crops, livestock and animal products; farm product marketing agencies; processors of agricultural products; Bureau surveys of prices received by farmers in connection with agricultural activities; agricultural statistics arising out of administrative responsibilities of various government departments, both Federal and Provincial.

In Table 1 overleaf is summarized the estimates of cash income from farming operations, by provinces, for the first nine months of 1962, 1963 and 1964. Tables 2, 3 and 4 present farm cash income by commodity sources for each province in the three years and include supplementary payments. No information is available for Newfoundland.

TABLE 1. Farm Cash Income from Farming Operations, by Quarters

January - September 1962-64(1)

	Jan. - Mar.	Apr. - June	July - Sept.	Jan. - Sept.
thousand dollars				
1964:				
Prince Edward Island	5,739	9,557	6,320	21,616
Nova Scotia	9,697	9,550	11,949	31,196
New Brunswick	9,123	13,651	10,506	33,280
Quebec	88,008	115,345	132,221	335,574
Ontario	214,353	224,069	277,034	715,456
Manitoba	72,748	55,715	79,394	207,857
Saskatchewan	251,011	210,306	186,030	647,347
Alberta	170,952	125,013	128,262	424,227
British Columbia	29,208	27,347	39,809	96,364
Canada(2)	850,839	790,553	871,525	2,512,917
1963:				
Prince Edward Island	6,136	6,831	5,551	18,518
Nova Scotia	9,986	10,366	12,202	32,554
New Brunswick	10,628	10,249	9,756	30,633
Quebec	88,983	117,818	132,496	339,297
Ontario	244,555	225,041	261,286	730,882
Manitoba	42,445	68,849	77,096	188,390
Saskatchewan	89,864	203,253	190,028	483,145
Alberta	123,218	114,550	125,994	363,762
British Columbia	27,849	28,167	39,858	95,874
Canada(2)	643,664	785,124	854,267	2,283,055
1962:				
Prince Edward Island	4,917	7,011	6,031	17,959
Nova Scotia	9,293	10,353	12,932	32,578
New Brunswick	8,593	10,512	9,810	28,915
Quebec	83,785	113,182	128,924	325,891
Ontario	227,575	213,767	248,338	689,680
Manitoba	33,712	54,779	71,183	159,674
Saskatchewan	78,396	194,460	185,496	458,352
Alberta	109,160	132,507	138,144	379,811
British Columbia	27,745	27,197	39,786	94,728
Canada(2)	583,176	763,768	840,644	2,187,588

(1) Excludes supplementary payments.

(2) Excludes Newfoundland.

Note: The above estimates include intercensal revisions for dairy products whereas the estimates for earlier years contain unrevised data. A complete revision of the series back to 1951 is in progress.

TABLE 2. Farm Cash Income from Farming Operations by Provinces(1), January to September 1964

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	21,786	46,132	358,280	115,077	2,327	543,602
Wheat, C.W.B. payments(2)	-	-	-	-	-	25,815	131,785	42,142	-	199,742
Oats	278	30	267	1,644	3,380	6,811	7,075	6,690	669	26,844
Oats, C.W.B. payments(2)	-	-	-	-	-	3,971	3,808	2,894	-	10,673
Barley	-	-	-	18	483	5,842	16,843	29,466	1,346	53,998
Barley, C.W.B. payments(2)	-	-	-	-	-	2,266	5,339	6,487	-	14,092
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	178	- 6,023	- 7,691	-	- 13,536
Rye	-	-	-	-	88	1,468	3,488	2,013	-	7,057
Flaxseed	-	-	-	-	334	19,679	12,858	6,111	38	39,020
Rapeseed	-	-	-	-	-	731	2,051	2,437	-	5,219
Soybeans	-	-	-	-	4,069	-	-	-	-	4,069
Potatoes	7,462	294	9,890	4,773	9,490	537	112	1,073	1,076	34,707
Fruits	298	2,704	897	3,978	26,321	-	-	-	14,680	48,878
Vegetables(4)	999	1,212	817	9,549	44,209	1,277	459	1,764	5,415	65,701
Tobacco	158	118	32	4,046	60,320	-	-	-	-	64,674
Other crops	651	475	658	7,972	25,061	3,581	3,365	5,456	6,344	53,563
Total crops	9,846	4,833	12,561	31,980	195,541	118,288	539,440	213,919	31,895	1,158,303
Cattle and calves	3,109	4,397	3,558	48,513	168,616	36,069	62,584	109,094	11,118	447,058
Hogs	2,879	3,023	2,344	56,427	95,126	16,046	15,273	46,482	1,759	239,359
Sheep and lambs	45	153	159	530	1,570	292	489	1,833	447	5,518
Dairy products(5)	4,416	9,095	8,890	133,831	157,160	18,767	17,329	32,161	26,098	407,747
Poultry	118	3,217	1,085	33,594	45,003	6,733	4,605	9,336	8,545	112,236
Eggs	938	4,404	2,735	18,104	43,001	8,060	4,401	6,812	11,699	100,154
Other livestock and products	83	594	112	1,453	6,080	3,435	3,046	4,294	3,558	22,655
Total livestock and products	11,588	24,883	18,883	292,452	516,556	89,402	107,727	210,012	63,224	1,334,727
Forest and maple products	182	1,480	1,836	11,142	3,359	167	180	296	1,245	19,887
Deficiency payments(6)	-	-	-	--	--	--	--	--	--	--
Cash Income from Farming Operations ...	21,616	31,196	33,280	335,574	715,456	207,857	647,347	424,227	96,364	2,512,917
Supplementary payments(7)	-	-	-	-	-	2,180	485	4,050	160	6,875
Total Cash Income	21,616	31,196	33,280	335,574	715,456	210,037	647,832	428,277	96,524	2,519,792

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crops delivered in previous years.

(3) Explanation of this item included in each of the quarterly reports for the years 1958 and 1959.

(4) Estimates of income from the sale of vegetables in all provinces except Ontario and British Columbia for the years 1957 to 1964 inclusive will not be strictly comparable with earlier years because of changes in methods of estimation. Comparability will be restored as soon as earlier estimates can be reworked by the new methods.

(5) Revised to include data based on 1961 Census of Agriculture.

(6) Made under the authority of the Agricultural Stabilization Act. For this report, this item includes only deficiency payments on eggs. Deficiency payments on other products are included as part of the estimated income for them.

(7) Payments made under the provisions of the Prairie Farm Assistance Act.

-- 500 dollars or less.

TABLE 3. Farm Cash Income from Farming Operations, by Provinces(1), January to September 1963

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	17,611	51,209	242,654	71,252	2,607	385,333
Wheat, C.W.B. payments (2)	-	-	-	-	-	13,724	74,450	35,772	-	123,946
Oats	305	32	323	1,919	3,666	10,973	12,057	8,883	957	39,115
Barley	-	-	-	24	432	8,126	18,519	21,727	1,487	50,315
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	137	11,159	1,065	-	12,087
Rye	-	-	-	-	97	1,169	3,287	1,348	-	5,901
Flaxseed	-	-	-	-	322	11,389	7,097	4,106	43	22,957
Rapeseed	-	-	-	-	-	821	4,604	2,710	-	8,135
Soybeans	-	-	-	-	5,489	-	-	-	-	5,489
Potatoes	5,796	304	7,455	4,467	9,035	430	95	1,259	1,083	29,924
Fruits	288	3,179	797	4,343	21,611	-	-	-	13,530	43,748
Vegetables(4)	793	1,025	705	8,855	39,708	1,239	431	1,581	5,223	59,560
Tobacco	56	77	24	4,582	84,393	-	-	-	-	89,132
Other crops	537	486	637	7,698	21,875	3,585	2,661	6,732	6,291	50,502
Total crops	7,775	5,103	9,941	31,888	204,239	102,528	377,014	156,435	31,221	926,144
Cattle and calves	2,940	4,552	3,650	49,534	179,652	34,510	62,664	107,343	10,600	455,445
Hogs	2,619	2,959	2,516	57,967	97,407	13,357	12,536	44,557	1,733	235,651
Sheep and lambs	38	153	169	516	1,787	272	457	1,796	438	5,626
Dairy products(5)	3,737	8,896	8,581	131,104	147,576	18,985	17,830	30,901	25,341	392,951
Poultry	149	3,197	1,017	34,102	43,081	7,017	4,899	10,206	9,198	112,866
Eggs	1,000	5,686	2,835	19,057	47,781	8,060	4,987	7,353	12,841	109,600
Other livestock and products	81	554	116	1,443	5,828	3,201	2,577	4,086	3,289	21,175
Total livestock and products	10,564	25,997	18,884	293,723	523,112	85,402	105,950	206,242	63,440	1,333,314
Forest and maple products	178	1,453	1,807	13,511	3,496	165	178	288	1,210	22,286
Deficiency payments(6)	1	1	1	175	35	295	3	797	3	1,311
Cash Income from Farming Operations ...	18,518	32,554	30,633	339,297	730,882	188,390	483,145	363,762	95,874	2,283,055
Supplementary payments(7)	-	-	-	-	-	814	5,595	5,538	22	11,969
Total Cash Income	18,518	32,554	30,633	339,297	730,882	189,204	488,740	369,300	95,896	2,295,024

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crops delivered in previous years.

(3) Explanation of this item included in each of the quarterly reports for the years 1958 and 1959.

(4) Estimates of income from the sale of vegetables in all provinces except Ontario and British Columbia for the years 1957 to 1964 inclusive will not be strictly comparable with earlier years because of changes in methods of estimation. Comparability will be restored as soon as earlier estimates can be reworked by the new methods.

(5) Revised to include data based on 1961 Census of Agriculture.

(6) Made under the authority of the Agricultural Stabilization Act. For this report, this item includes only deficiency payments on eggs, sugar beets and potatoes. Deficiency payments on other products are included as part of the estimated income for them.

(7) Payments made under the provisions of the Prairie Farm Assistance Act.

TABLE 4. Farm Cash Income from Farming Operations, by Provinces(1), January to September 1962

Commodity	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Canada
thousand dollars										
Wheat	-	-	-	-	14,284	35,212	209,523	78,030	2,646	339,695
Wheat, C.W.B. payments(2)	-	-	-	-	-	16,966	94,345	34,270	-	145,581
Oats	319	36	335	1,912	3,569	5,893	3,948	4,995	718	21,725
Barley	-	-	-	27	391	5,490	10,999	17,080	997	34,984
Barley, C.W.B. payments(2)	-	-	-	-	-	1,267	3,061	2,879	-	7,207
C.W.B. net cash advance payments(3) ...	-	-	-	-	-	- 257	- 1,358	- 2,468	-	- 4,083
Rye	-	-	-	-	91	1,995	2,925	1,211	-	6,222
Flaxseed	-	-	-	-	330	8,520	10,433	7,454	76	26,813
Rapeseed	-	-	-	-	-	596	4,209	2,744	-	7,549
Soybeans	-	-	-	-	4,312	-	-	-	-	4,312
Potatoes	3,724	283	4,472	4,204	7,764	251	64	1,203	1,264	23,229
Fruits	329	3,326	780	3,823	18,275	-	-	-	12,007	38,540
Vegetables(4)	335	968	552	8,995	42,716	1,076	429	1,024	5,078	61,173
Tobacco	42	33	5	4,213	85,103	-	-	-	-	89,396
Other crops	519	494	562	7,372	18,016	2,649	2,565	4,476	6,176	42,829
Total crops	5,268	5,140	6,706	30,546	194,851	79,658	341,143	152,898	28,962	845,172
Cattle and calves	4,642	5,210	3,996	48,920	171,937	30,211	68,419	117,759	12,929	464,023
Hogs	2,638	2,965	2,540	55,649	86,631	14,977	18,797	55,860	1,934	241,991
Sheep and lambs	54	166	168	513	1,898	262	478	1,854	459	5,852
Dairy products(5)	3,976	9,455	8,969	129,098	140,694	19,147	18,044	30,802	26,106	386,291
Poultry	229	2,636	1,012	29,258	39,358	5,358	3,971	8,450	8,574	98,846
Eggs	882	5,003	2,477	17,654	45,059	6,968	4,960	7,919	11,345	102,267
Other livestock and products	89	556	127	1,334	5,525	2,928	2,362	3,981	3,264	20,166
Total livestock and products	12,510	25,991	19,289	282,426	491,102	79,851	117,031	226,625	64,611	1,319,436
Forest and maple products	181	1,447	1,963	12,919	3,727	165	178	288	1,155	22,023
Deficiency payments(6)	-	-	957	--	--	--	--	--	-	957
Cash Income from Farming Operations ...	17,959	32,578	28,915	325,891	689,680	159,674	458,352	379,811	94,728	2,187,588
Supplementary payments(7)	-	-	-	-	-	11,735	35,548	19,067	295	66,645
Total Cash Income	17,959	32,578	28,915	325,891	689,680	171,409	493,900	398,878	95,023	2,254,233

(1) Excludes Newfoundland.

(2) Represents interim and final payments made by the Canadian Wheat Board direct to producers on crops delivered in previous years.

(3) Explanation of this item included in each of the quarterly reports for the years 1958 and 1959.

(4) Estimates of income from the sale of vegetables in all provinces except Ontario and British Columbia for the years 1957 to 1964 inclusive will not be strictly comparable with earlier years because of changes in methods of estimation. Comparability will be restored as soon as earlier estimates can be reworked by the new methods.

(5) Revised to include data based on 1961 Census of Agriculture.

(6) Made under the authority of the Agricultural Stabilization Act. For this report, this item includes only deficiency payments on potatoes. Deficiency payments on other products are included as part of the estimated income for them.

(7) Payments made under the provisions of the Prairie Farm Assistance Act and the Western Grain Producers' Acreage Payment Plan.

-- 500 dollars or less.

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